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September 6, 1996

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VIA MESSENGER

Mr. William F. Caton, Acting Secretary
1919 M Street, N.W.; Room 222
Washington, D.C. 20554

RECEIVED

SEP 6 - 1996

Re: Ex Parte Notice; CC Docket No. 96-128

Dear Mr. Caton:

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

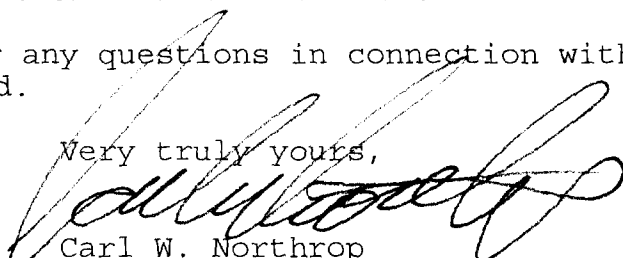
On September 5, 1996, Kathleen Abernathy, Mark Stachiw and Carl Northrop, all representing AirTouch Paging, met with John Muleta and Robert Spangler of the Common Carrier Bureau to discuss the payphone compensation issues under consideration in the referenced docket.

The presentation was consistent with the comments of record of AirTouch Paging in the docket. An outline of the presentation is attached.

Due to the hour of the meeting, this notice could not be submitted prior to the close of the Commission.

Kindly refer any questions in connection with this matter to the undersigned.

Very truly yours,



Carl W. Northrop
of PAUL, HASTINGS, JANOFSKY & WALKER LLP

Enclosure
cc: w/encl. John Muleta
Robert Spangler

CH

Presentation of AirTouch Paging
on Pay Telephone Compensation

(CC Docket No. 96-128)

SEPTEMBER 5, 1996

AirTouch, as a Major Provider of Paging Services, Has a Substantial Stake in the Outcome of the Payphone Proceeding

- AirTouch Paging is one of the largest providers of paging services in the U.S. with facilities in over 167 markets in over 30 states serving over 2.5 million units
- AirTouch provides local, state, regional and nationwide paging services
- Paging services generate substantial usage of payphones

800 (and Other Toll Free) Numbers Are Used for Diverse Purposes in the Paging Industry

- AirTouch subscribes to various 800 numbers as an end user to enable customers and potential customers to call the company toll free (e.g., to activate pagers purchased at retail outlets; to call customer service, etc.)
- AirTouch assigns 800 numbers to paging customers who want others to be able to page them toll free
- The mobility of paging subscribers results in frequent use of payphone to place calls, including calls to 800 numbers
 - Data on payphone-initiated use is not captured by the paging system, so the volume cannot be quantified

A Uniform National Rate of Compensation for 800 Calls Originated at Payphones Should Be Established

- 800 numbers are inherently interstate in nature
- Paging service areas do not conform to state boundaries, making state regulation burdensome
- Paging companies generally are not regulated by state commissions, making it harder for them to participate meaningfully in state proceedings

Paging Commenters Uniformly Supported a "Set Use" Fee Paid by the Paging Party to Compensate Payphone Service Providers (PSPs) for 800 Calls

- The paging party makes the choice to use a payphone, and is appropriately charged
- PSPs would have an incentive to compete for 800 business by reducing charges
- A "carrier pays" approach is particularly disadvantageous to the Paging Industry

Paging Companies Are Not in a Position to Recoup From Paging Customers 800 Call Payments to PSPs

- The flat monthly fees charged by paging companies do not enable them to recoup payphone 800 call charges from end users
 - Fixed-term contracts inhibit changes of existing rates
 - The paging switch does not record any information that would allow the paging provider to know which subscriber should be charged
- Costs of compensating PSPs for 800 calls are neither predictable nor controllable

Alternatively, Compensation Should Be Assessed Against All Users of Telephone Service as Part of the Carrier Common Line Charge

- Adding to the subscriber line charge would spread the cost to all telecommunications users who have the opportunity to place toll free calls from payphones
- Assessing the cost to the 800 number subscriber is unfair because there would be no means to pass the cost back to the party who chose to use the payphone